

S. J. R. No. 6

1

2 proposing a constitutional amendment relating to the maximum
3 interest allowable on public bonds.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. That Article III, Section 65, Subsection (a), of
the Texas Constitution be amended to read as follows:

7 "(a) Wherever the Constitution authorizes an agency,
8 instrumentality, or subdivision of the State to issue bonds and
9 specifies the maximum rate of interest which may be paid on such
0 bonds issued pursuant to such constitutional authority, such bonds
1 may bear interest at rates not to exceed a weighted average annual
2 interest rate of 12% unless otherwise provided by law or by
3 Subsection (b) of this section [6%]. All constitutional
4 [~~Constitutional~~] provisions specifically setting rates in conflict
5 with this provision are hereby repealed."

6 SECTION 2. This proposed constitutional amendment shall be
7 submitted at an election to be held on November 2, 1982. The
8 ballot shall be printed to provide for voting for or against the
9 proposition: "The constitutional amendment to change the maximum
0 interest ceiling allowable on public bonds from six percent to 12
1 percent."

COMMITTEE SUBSTITUTE FOR S.J.R. NO. 6

BY: Sarpali

By: Farabee, et al.

S.J.R. No. 6

SENATE JOINT RESOLUTION

proposing a constitutional amendment relating to the maximum interest allowable on public bonds.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. That Article III, Section 65, Subsection (a), of the Texas Constitution be amended to read as follows:

"(a) Wherever the Constitution authorizes an agency, instrumentality, or subdivision of the State to issue bonds and specifies the maximum rate of interest which may be paid on such bonds issued pursuant to such constitutional authority, such bonds may bear interest at rates not to exceed a weighted average annual interest rate of 12% unless otherwise provided by law ^{OR by Subsection (b)} ^[6%]. All of ^{the} ^{ms} ^{Section} constitutional ~~[Constitutional]~~ provisions specifically setting rates in conflict with this provision are hereby repealed."

SECTION 2. This proposed constitutional amendment shall be submitted at an election to be held on November 2, 1982. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment to change the maximum interest ceiling allowable on public bonds from six percent to 12 percent."

*replaced by
House amended Substitute*

COMMITTEE SUBSTITUTE FORM

Austin, Texas

May 27, 1982

Date of report to Senate

Honorable William P. Hobby
President of the Senate

Sir:

We, your Committee on NATURAL RESOURCES to which was referred
SJR No. 6, have had the same under consideration, and I am instructed to report it back to the
Senate with the recommendation that it do not pass, but that the Committee Substitute adopted in lieu
thereof do pass and be printed.


Chairman

Paper clip TWO copies of the Committee Substitute and TWO copies of this form to the original bill and retain one copy of this form for your file.

By:

Alasgow

Fara
Shel

Santosh
Sandhu

Blum
Frederic
S.J.R. No. *6*

Caperton
Brink

SENATE JOINT RESOLUTION

proposing a constitutional amendment relating to the maximum interest for Texas Water Development Bonds.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. That Subsection (c), Article III, Section 49-d-1, of the Texas Constitution be amended to read as follows:

"(c) The bonds authorized in this Section 49-d-1 and all bonds authorized by Sections 49-c and 49-d of Article III shall bear interest at not more than 12 percent [6%] per annum and mature as the Texas Water Development Board shall prescribe, subject to the limitations as may be imposed by the Legislature."

SECTION 2. This proposed constitutional amendment shall be submitted at an election to be held on November 2, 1982. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment raising from six percent to 12 percent the maximum interest allowable on Texas Water Development Bonds."

By: Farabee

S.J.R. 6

Substitute the following for S.J.R. 6

By: Barrientos

C.S.S.J.R. 6

ADOPTED

MAY 28 1982

Betty Murry
Chief Clerk
House of Representatives

A JOINT RESOLUTION

1 proposing a constitutional amendment relating to the maximum
2 interest rate allowed on state general obligation bonds.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. That Article III, Section 65, of the Texas
5 Constitution be amended to read as follows:

6 Sec. 65. [{a}] Wherever the Constitution authorizes an
7 agency, instrumentality, or subdivision of the State to issue bonds
8 and specifies the maximum rate of interest which may be paid on
9 such bonds issued pursuant to such constitutional authority, such
10 bonds may bear interest at rates not to exceed a weighted average
11 annual interest rate of 12% unless otherwise provided by law [6%].
12 All Constitutional provisions specifically setting rates in
13 conflict with this provision are hereby repealed.

14 [~~{b}--Bonds-issued-by-the--Veterans'--Land--Board--after--the~~
15 ~~effective--date-of-this-subsection-bear-interest-at-a-rate-or-rates~~
16 ~~determined-by-the-board,--but-the-rate-or-rates-may-not-exceed-a-net~~
17 ~~effective-interest-rate-of-10%-per-year-unless--otherwise--provided~~
18 ~~by--law.--A-statute-that-is-in-effect-on-the-effective-date-of-this~~
19 ~~subsection-and-that-sets-as-a--maximum--interest--rate--payable--on~~
20 ~~bonds--issued-by-the-Veterans'--Land-Board-a-rate-different-from-the~~
21 ~~maximum-rate-provided-by--this--subsection--is--ineffective--unless~~
22 ~~reenacted-by-the-legislature-after-that-date.]~~

23 SECTION 2. This proposed constitutional amendment shall be
24 submitted to the voters at an election to be held on November 2,

CS.S.J.R. No. 6

1 1982. The ballot shall be printed to provide for voting for or
2 against the proposition: "The constitutional amendment increasing
3 the maximum interest rate allowed on state general obligation bonds
4 to a weighted average annual interest rate of 12%."

AMENDMENT NO. 1

BY Patterson

Amend C.S.S.J.R. 6 as follows:

On page 1, line 11, by striking the words "unless otherwise provided by law".

ADOPTED

MAY 28 1982

Betty Murray
Chief Clerk
House of Representatives

May 27 1982 Engrossed
Daisy Law
Engrossing Clerk

I certify that the attached is a true and correct
copy of SJR 6, which was
received from the Senate MAY 27 1982 and
referred to the Committee on Constitutional
Amendments
Berly Murray
Chief Clerk of the House

By: Farabee, et al.

S.J.R. No. 6

SENATE JOINT RESOLUTION

proposing a constitutional amendment relating to the maximum
interest allowable on public bonds.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. That Article III, Section 65, Subsection (a), of
the Texas Constitution be amended to read as follows:

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instrumentality, or subdivision of the State to issue bonds and
specifies the maximum rate of interest which may be paid on such
bonds issued pursuant to such constitutional authority, such bonds
may bear interest at rates not to exceed a weighted average annual
interest rate of 12% unless otherwise provided by law or by
Subsection (b) of this section [6%]. All constitutional
~~[Constitutional]~~ provisions specifically setting rates in conflict
with this provision are hereby repealed."

SECTION 2. This proposed constitutional amendment shall be
submitted at an election to be held on November 2, 1982. The
ballot shall be printed to provide for voting for or against the
proposition: "The constitutional amendment to change the maximum
interest ceiling allowable on public bonds from six percent to 12
percent."

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

May 26, 1982

Honorable H. Tati Santiesteban, Chairman
Committee on Natural Resources
Senate Chamber
Austin, Texas

In Re: Committee Substitute for
Senate Joint Resolution No. 6
By: Farabee, et al

Dear Sir:

In response to your request pursuant to Senate Rule 94, Subsection (g), this office finds the fiscal implications of the Committee Substitute for Senate Joint Resolution No. 6 (proposing a constitutional amendment relating to the maximum interest allowable on public bonds) to be as follows:

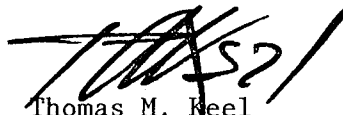
The resolution proposes a constitutional amendment setting a maximum limit of 12% on the weighted average annual interest rate on certain bonds authorized by the Texas Constitution.

The present legal limit on the interest rate for water quality enhancement and water conservation bonds is 6%; the unissued authorized amount of these bonds is \$218,670,000. There is a constitutional limit of 6% on \$36,200,000 of college student loan bonds. The legal limit on the interest rate for park development bonds is 6%; the unissued authorized amount of these bonds is \$57,250,000.

Certain bond issuances would not be affected. The legal limit on bonds issued by the Veterans' Land Board would continue to be 10% (Art. III, section 65 (b)). The 67th Legislature increased to 15% the maximum interest rate for bonds issued by local political subdivisions. This limit which is set by statute would not be affected by the resolution.

The increase in the maximum interest rate would permit the issuance of certain State bonds which could not be marketed during periods of time when interest rates for state obligations would exceed present limitations. The additional cost associated with the higher interest rate would be recovered by the State under current practices governing bond issues for water development and college student loans. The increase in charges that would be made to these groups would depend upon future bond market conditions and cannot be estimated for purposes of this fiscal note.

If the Legislature approves the proposed amendment for placement on the ballot, a cost for publication, estimated at \$40,522, would be incurred. The appropriation to the Secretary of State for this purpose has an unexpended balance of \$157,089 as of May 1, 1982. With legislative approval of a constitutional amendment in this Second Called Session, there would be four proposed amendments on the ballot November 1, 1982, at an estimated publication cost of \$162,088 -- approximately \$5,000 more than is currently available in that line item.


Thomas M. Keel
Director

Source: Department of Water Resources; Coordinating Board;
Parks and Wildlife Department; Legislative Budget
Office: TK, HS, NN, LV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

May 26, 1982

Honorable H. Tati Santiesteban, Chairman
Committee on Natural Resources
Senate Chamber
Austin, Texas

In Re: Senate Joint Resolution No. 6
By: Farabee

Dear Sir:

In response to your request pursuant to Senate Rule 94, Subsection (g), this office finds the fiscal implications of Senate Joint Resolution No. 6 (proposing a constitutional amendment relating to the maximum interest rate allowed on state general obligation bonds) to be as follows:


The resolution proposes a constitutional amendment setting a maximum limit of 12% on the weighted average annual interest rate on certain bonds authorized by the Texas Constitution.

The present legal limit on the interest rate for water quality enhancement and water conservation bonds is 6%; the unissued authorized amount of these bonds is \$218,670,000. The legal limit on veterans land bonds is 10%; the unissued authorized amount of these bonds is \$324,000,000. There is a constitutional limit of 6% on \$36,200,000 of college student loan bonds. The legal limit on the interest rate for park development bonds is 6%; the unissued authorized amount of these bonds is \$57,250,000.

The 67th Legislature increased to 15% the maximum interest rate for bonds issued by local political subdivisions. This limit which is set by statute would not be affected by the resolution.

The increase in the maximum interest rate would permit the issuance of certain State bonds which could not be marketed during periods of time when interest rates for state obligations would exceed present limitations. The additional cost associated with the higher interest rate would be recovered by the State under current practices governing bond issues for water development, veterans land loans and college student loans. The increase in charges that would be made to these groups would depend upon future bond market conditions and cannot be estimated for purposes of this fiscal note.

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Thomas M. Keel
Director

Source: Department of Water Resources; General Land Office; Coordinating Board; Parks and Wildlife Department; Legislative Budget Office: TK, HS, NN, LV

HOUSE COMMITTEE REPORT

1st. Printing

F

By Farabee, et al.

S.J.R. No. 6

Substitute the following for S.J.R. No. 6:

By Barrientos

C.S.S.J.R. No. 6

A JOINT RESOLUTION

1 proposing a constitutional amendment relating to the maximum
2 interest rate allowed on state general obligation bonds.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. That Article III, Section 65, of the Texas
5 Constitution be amended to read as follows:

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7 agency, instrumentality, or subdivision of the State to issue bonds
8 and specifies the maximum rate of interest which may be paid on
9 such bonds issued pursuant to such constitutional authority, such
10 bonds may bear interest at rates not to exceed a weighted average
11 annual interest rate of 12% unless otherwise provided by law [6%].
12 All Constitutional provisions specifically setting rates in
13 conflict with this provision are hereby repealed.

14 [~~(b)--Bonds-issued-by-the--Veterans'---and--Board--after--the~~
15 ~~effective--date-of-this-subsection-bear-interest-at-a-rate-or-rates~~
16 ~~determined-by-the-board,--but-the-rate-or-rates-may-not-exceed-a-net~~
17 ~~effective-interest-rate-of-10%-per-year-unless--otherwise--provided~~
18 ~~by--law.--A-statute-that-is-in-effect-on-the-effective-date-of-this~~
19 ~~subsection-and-that-sets-as-a--maximum--interest--rate--payable--on~~
20 ~~bonds--issued-by-the-Veterans'---and-Board-a-rate-different-from-the~~
21 ~~maximum-rate-provided-by--this--subsection--is--ineffective--unless~~
22 ~~reenacted-by-the-legislature-after-that-date.]~~

23 SECTION 2. This proposed constitutional amendment shall be
24 submitted to the voters at an election to be held on November 2,

C.S.S.J.R. No. 6

1 1982. The ballot shall be printed to provide for voting for or
2 against the proposition: "The constitutional amendment increasing
3 the maximum interest rate allowed on state general obligation bonds
4 to a weighted average annual interest rate of 12%."

COMMITTEE REPORT

The Honorable Bill Clayton
Speaker of the House of Representatives

May 27, 1982
(date)

Sir:

We, your COMMITTEE ON CONSTITUTIONAL AMENDMENTS, to whom was referred 5.12-6, have had the same under consideration and beg to report back with the recommendation that it (measure)

- () do pass, without amendment.
- () do pass, with amendment(s).
- (X) do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. (X) yes () no

An author's fiscal statement was requested. () yes (X) no

An actuarial analysis was requested. () yes (X) no

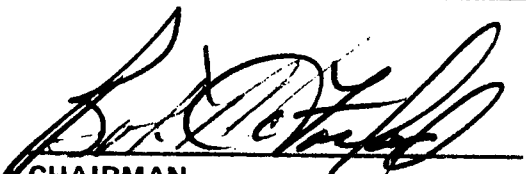

The Committee recommends that this measure be placed on the (Local) or (Consent) Calendar.

This measure () proposes new law.
() amends existing law.
(X) Amends the Constitution
House Sponsor of Senate Measure Clayton - McFarland

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
McFarland, Ch.	✓			
Whaley, V.C.		✓		
Atkinson				✓
Barrientos	✓			
Delco	✓			
Elizondo	✓			
Schoolcraft	✓			
Sharp	✓			
Ware				✓

Total
6 aye
1 nay
0 present, not voting
2 absent


CHAIRMAN

COMMITTEE COORDINATOR

By Farabee

ANALYSIS

Background Information

Article III, Section 65, of the Texas Constitution sets the maximum weighted annual interest rate at six percent for all constitutionally authorized public bonds for which the constitution specifies a maximum rate of interest. The provision was amended in 1981 to allow the Veterans' Land Board to issue bonds with a maximum net effective rate of 10 percent unless otherwise provided by law.

With generally high market interest rates, public bonds have been noncompetitive in the investment market.

Purpose and Synopsis

The purpose of this resolution is to allow governmental entities to sell bonds at a competitive interest rate. Section 1 raises the allowable weighted average annual interest rate on constitutionally authorized bonds for which the constitution specifies a maximum interest rate from 6 percent to 12 percent and permits the legislature to set higher rates by law. The amendment also eliminates the separate Veterans' Land Board provision resulting in a 12 percent ceiling for those bonds unless the legislature sets a different ceiling rate.

Rulemaking Authority

It is the committee's opinion that this joint resolution does not delegate rulemaking authority to a state officer, agency, department, or institution.

Comparison of Original to Substitute

S.J.R. 6 did not delete Sec. 65b, Art. III. of the Constitution. This section fixed a net effective interest rate of 10% per year on bonds issued by the Veteran's Land Board. C.S.H.J.R. 6 deletes Sec. 65b from the Constitution to provide a weighted average annual interest rate of 12% unless otherwise provided by law.

Summary of Committee Action

Pursuant to a suspension of the Rules, on May 27, 1982, the Committee on Constitutional Amendments met in a formal meeting to consider S.J.R. 6. At that meeting the committee voted to report a committee substitute favorably to the House. C.S.S.J.R. 6 was approved by a vote of 6 ayes and 1 nay.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

May 27, 1982

Honorable Bob McFarland, Chairman

Committee on Constitutional Amendments
House of Representatives
Austin, Texas

In Re: House Committee Substitute for
Senate Joint Resolution No. 6, as engrossed
By: Farabee

Dear Sir:

In response to your request pursuant to House Rule V, Section 28, this office finds the fiscal implications of House Committee Substitute for Senate Joint Resolution No. 6, as engrossed (proposing a constitutional amendment relating to the maximum interest rate allowed on state general obligation bonds), to be as follows:

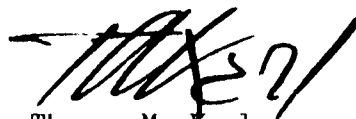
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The 67th Legislature increased to 15% the maximum interest rate for bonds issued by local political subdivisions. This limit which is set by statute would not be affected by the resolution.

The increase in the maximum interest rate would permit the issuance of certain State bonds which could not be marketed during periods of time when interest rates for state obligations would exceed present limitations. The additional cost associated with the higher interest rate would be recovered by the State under current practices governing bond issues for water development veterans land loans and college student loans. The increase in charges that would be made to these groups would depend upon future bond market conditions and cannot be estimated for purposes of this fiscal note.

If the Legislature approves the proposed amendment for placement on the ballot, a cost for publication, estimated at \$40,522 would be incurred. The appropriation to the Secretary of State for this purpose has an unexpended balance of \$157,089 as of May 1, 1982. With legislative approval of a constitutional amendment in this Second Called Session, there would be four proposed amendments on the ballot November 2, 1982, at an estimated publication cost of \$162,088 -- approximately \$5,000 more than is currently available in that line item.



Thomas M. Keel
Director

Source: Department of Water Resources; General Land Office;
Coordinating Board; Parks and Wildlife Department;
Legislative Budget Office: TK, HS, NN, LV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

May 27, 1982

Honorable Bob McFarland, Chairman
Committee on Constitutional Amendments
House of Representatives
Austin, Texas

In Re: Senate Joint Resolution No. 6,
as Engrossed
By: Farabee, et al

Dear Sir:

In response to your request pursuant to House Rules, Section 3.119, this office finds the fiscal implications of the Senate Joint Resolution No. 6, as engrossed (proposing a constitutional amendment relating to the maximum interest allowable on public bonds), to be as follows:


The resolution proposes a constitutional amendment setting a maximum limit of 12% on the weighted average annual interest rate on certain bonds authorized by the Texas Constitution.

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Certain bond issuances would not be affected. The legal limit on bonds issued by the Veterans' Land Board would continue to be 10% (Art. III, section 65 (b)). The 67th Legislature increased to 15% the maximum interest rate for bonds issued by local political subdivisions. This limit which is set by statute would not be affected by the resolution.

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Thomas M. Keel
Director

Source: Department of Water Resources; Coordinating Board;
Parks and Wildlife Department; Legislative Budget
Office: TK, HS, NN, BL

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

May 26, 1982

Honorable H. Tati Santiesteban, Chairman
Committee on Natural Resources
Senate Chamber
Austin, Texas

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By: Farabee, et al

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Thomas M. Keel
Director

Source: Department of Water Resources; Coordinating Board;
Parks and Wildlife Department; Legislative Budget
Office: TK, HS, NN, LV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

May 26, 1982

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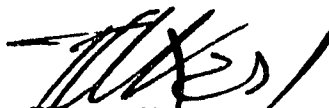
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Thomas M. Keel
Director

Source: Department of Water Resources; General Land Office; Coordinating Board; Parks and Wildlife Department; Legislative Budget Office: TK, HS, NN, LV

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

May 28, 1982

Date

Honorable William P. Hobby
President of the Senate

Honorable Bill Clayton
Speaker of the House of Representatives

Sir:

We, your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on S.J.R. No. 6 have met and had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Per J. L. L.

Gant Jones

John A. Freeger

Kurt Copert

L. J. L.

On the part of the Senate

Bob McFarland

Bob Davis

Walter B. Gault

Jim L.

L. P. P.

On the part of the House

Paper clip one of these forms to each of the following:
the original and two copies to the house of origin
three copies to the other house

ADOPTED
by 30 yeas 0 nays
MAY 28 1982

Barry King
Secretary of the Senate

CONFERENCE COMMITTEE REPORT

S.J.R. No. 6

SENATE JOINT RESOLUTION

proposing a constitutional amendment relating to the maximum interest rate allowed on state general obligation bonds.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. That Article III, Section 65, of the Texas Constitution be amended to read as follows:

"Section 65. (a) Wherever the Constitution authorizes an agency, instrumentality, or subdivision of the State to issue bonds and specifies the maximum rate of interest which may be paid on such bonds issued pursuant to such constitutional authority, such bonds may bear interest at rates not to exceed a weighted average annual interest rate of 12% unless otherwise provided by Subsection (b) of this section [6%]. All Constitutional provisions specifically setting rates in conflict with this provision are hereby repealed.

"(b) Bonds issued by the Veterans' Land Board after the effective date of this subsection bear interest at a rate or rates determined by the board, but the rate or rates may not exceed a net effective interest rate of 10% per year unless otherwise provided by law. A statute that is in effect on the effective date of this subsection and that sets as a maximum interest rate payable on bonds issued by the Veterans' Land Board a rate different from the maximum rate provided by this subsection is ineffective unless reenacted by the legislature after that date."

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held on November 2,

S.J.R. No. 6

1 1982. The ballot shall be printed to provide for voting for or
2 against the proposition: "The constitutional amendment increasing
3 the maximum interest rate allowed on state general obligation bonds
4 to a weighted average annual interest rate of 12%."

CONFERENCE COMMITTEE REPORT

S.J.R. No. 6

SENATE VERSION

HOUSE VERSION

CONFERENCE COMMITTEE

ART. III, SECTION 65, TEXAS CONSTITUTION

sub. (a). Increases maximum interest rate on state general obligation bonds from 6% to 12% unless otherwise provided by law or by subsection (b) of this section.

(a) Increases maximum interest rate on state general obligation bonds from 6% to 12%.

(a) Increases maximum interest rate on state general obligation bonds from 6% to 12% unless otherwise provided by subsection (b) of this section.

sub. (b) No Change

(b) Repealed

(b) Senate version
(no change)

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

May 28, 1982

Date

Honorable William P. Hobby
President of the Senate

Honorable Bill Clayton
Speaker of the House of Representatives

Sir:

We, your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on S.T.D. NO. 6 have met and had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

On the part of the Senate

On the part of the House

MAY 28 1982

Paper clip one of these forms to each of the following:
the original and two copies to the house of origin
three copies to the other house

ALL NECESSARY RULES SUSPENDED AND THE
CONFERENCE COMMITTEE REPORT ON SENATE
BILL NO. 6 ADOPTED BY RECORD VOTE
OF 131 AYES, 1 NAYS. 1 pnv

Betty Murray

Chief Clerk, House of Representatives

CONFERENCE COMMITTEE REPORT

S.J.R. No. 6

SENATE JOINT RESOLUTION

proposing a constitutional amendment relating to the maximum interest rate allowed on state general obligation bonds.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. That Article III, Section 65, of the Texas Constitution be amended to read as follows:

"Section 65. (a) Wherever the Constitution authorizes an agency, instrumentality, or subdivision of the State to issue bonds and specifies the maximum rate of interest which may be paid on such bonds issued pursuant to such constitutional authority, such bonds may bear interest at rates not to exceed a weighted average annual interest rate of 12% unless otherwise provided by Subsection (b) of this section [6%]. All Constitutional provisions specifically setting rates in conflict with this provision are hereby repealed.

"(b) Bonds issued by the Veterans' Land Board after the effective date of this subsection bear interest at a rate or rates determined by the board, but the rate or rates may not exceed a net effective interest rate of 10% per year unless otherwise provided by law. A statute that is in effect on the effective date of this subsection and that sets as a maximum interest rate payable on bonds issued by the Veterans' Land Board a rate different from the maximum rate provided by this subsection is ineffective unless reenacted by the legislature after that date."

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held on November 2,

S.J.R. No. 6

1 1982. The ballot shall be printed to provide for voting for or
2 against the proposition: "The constitutional amendment increasing
3 the maximum interest rate allowed on state general obligation bonds
4 to a weighted average annual interest rate of 12%."

CONFERENCE COMMITTEE REPORT

S.J.R. No. 6

SENATE VERSION

HOUSE VERSION

CONFERENCE COMMITTEE

ART. III, SECTION 65, TEXAS CONSTITUTION

sub. (a). Increases maximum interest rate on state general obligation bonds from 6% to 12% unless otherwise provided by law or by subsection (b) of this section.

(a) Increases maximum interest rate on state general obligation bonds from 6% to 12%.

(a) Increases maximum interest rate on state general obligation bonds from 6% to 12% unless otherwise provided by subsection (b) of this section.

sub. (b) No Change

(b) Repealed

(b) Senate version
(no change)

CONFERENCE COMMITTEE REPORT

S.J.R. No. 6

SENATE JOINT RESOLUTION

proposing a constitutional amendment relating to the maximum interest rate allowed on state general obligation bonds.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. That Article III, Section 65, of the Texas Constitution be amended to read as follows:

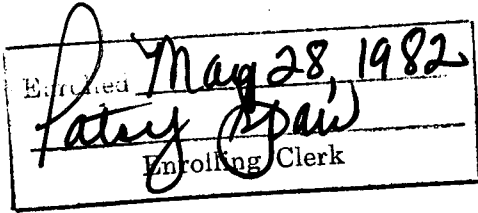
"Section 65. (a) Wherever the Constitution authorizes an agency, instrumentality, or subdivision of the State to issue bonds and specifies the maximum rate of interest which may be paid on such bonds issued pursuant to such constitutional authority, such bonds may bear interest at rates not to exceed a weighted average annual interest rate of 12% unless otherwise provided by Subsection (b) of this section [6%]. All Constitutional provisions specifically setting rates in conflict with this provision are hereby repealed.

"(b) Bonds issued by the Veterans' Land Board after the effective date of this subsection bear interest at a rate or rates determined by the board, but the rate or rates may not exceed a net effective interest rate of 10% per year unless otherwise provided by law. A statute that is in effect on the effective date of this subsection and that sets as a maximum interest rate payable on bonds issued by the Veterans' Land Board a rate different from the maximum rate provided by this subsection is ineffective unless reenacted by the legislature after that date."

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S.J.R. No. 6

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S.J.R. No. 6

SENATE JOINT RESOLUTION

proposing a constitutional amendment relating to the maximum interest rate allowed on state general obligation bonds.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. That Article III, Section 65, of the Texas Constitution be amended to read as follows:

"Section 65. (a) Wherever the Constitution authorizes an agency, instrumentality, or subdivision of the State to issue bonds and specifies the maximum rate of interest which may be paid on such bonds issued pursuant to such constitutional authority, such bonds may bear interest at rates not to exceed a weighted average annual interest rate of 12% unless otherwise provided by Subsection (b) of this section [6%]. All Constitutional provisions specifically setting rates in conflict with this provision are hereby repealed.

"(b) Bonds issued by the Veterans' Land Board after the effective date of this subsection bear interest at a rate or rates determined by the board, but the rate or rates may not exceed a net effective interest rate of 10% per year unless otherwise provided by law. A statute that is in effect on the effective date of this subsection and that sets as a maximum interest rate payable on bonds issued by the Veterans' Land Board a rate different from the maximum rate provided by this subsection is ineffective unless reenacted by the legislature after that date."

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held on November 2,

S.J.R. No. 6

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3 the maximum interest rate allowed on state general obligation bonds
4 to a weighted average annual interest rate of 12%."

UP
PSEF

S.J.R. No. 6

President of the Senate

Speaker of the House

I hereby certify that S.J.R. No. 6 passed the Senate on May 27, 1982, by the following vote: Yeas 30, Nays 0; May 28, 1982, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 28, 1982, House granted request of the Senate; May 28, 1982, Senate adopted Conference Committee Report by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.J.R. No. 6 passed the House, with amendments, on May 28, 1982, by the following vote: Yeas 124, Nays 21, one present not voting; May 28, 1982, House granted request of the Senate for appointment of Conference Committee; May 28, 1982, House adopted Conference Committee Report by the following vote: Yeas 131, Nays 1, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

May 26, 1982

Honorable H. Tati Santiesteban, Chairman
Committee on Natural Resources
Senate Chamber
Austin, Texas

In Re: Committee Substitute for
Senate Joint Resolution No. 6
By: Farabee, et al

Dear Sir:

In response to your request pursuant to Senate Rule 94, Subsection (g), this office finds the fiscal implications of the Committee Substitute for Senate Joint Resolution No. 6 (proposing a constitutional amendment relating to the maximum interest allowable on public bonds) to be as follows:


The resolution proposes a constitutional amendment setting a maximum limit of 12% on the weighted average annual interest rate on certain bonds authorized by the Texas Constitution.

The present legal limit on the interest rate for water quality enhancement and water conservation bonds is 6%; the unissued authorized amount of these bonds is \$218,670,000. There is a constitutional limit of 6% on \$36,200,000 of college student loan bonds. The legal limit on the interest rate for park development bonds is 6%; the unissued authorized amount of these bonds is \$57,250,000.

Certain bond issuances would not be affected. The legal limit on bonds issued by the Veterans' Land Board would continue to be 10% (Art. III, section 65 (b)). The 67th Legislature increased to 15% the maximum interest rate for bonds issued by local political subdivisions. This limit which is set by statute would not be affected by the resolution.

The increase in the maximum interest rate would permit the issuance of certain State bonds which could not be marketed during periods of time when interest rates for state obligations would exceed present limitations. The additional cost associated with the higher interest rate would be recovered by the State under current practices governing bond issues for water development and college student loans. The increase in charges that would be made to these groups would depend upon future bond market conditions and cannot be estimated for purposes of this fiscal note.

If the Legislature approves the proposed amendment for placement on the ballot, a cost for publication, estimated at \$40,522, would be incurred. The appropriation to the Secretary of State for this purpose has an unexpended balance of \$157,089 as of May 1, 1982. With legislative approval of a constitutional amendment in this Second Called Session, there would be four proposed amendments on the ballot November 1, 1982, at an estimated publication cost of \$162,088 -- approximately \$5,000 more than is currently available in that line item.


Thomas M. Keel
Director

Source: Department of Water Resources; Coordinating Board;
Parks and Wildlife Department; Legislative Budget
Office: TK, HS, NN, LV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

May 26, 1982

Honorable H. Tati Santiesteban, Chairman
Committee on Natural Resources
Senate Chamber
Austin, Texas

In Re: Senate Joint Resolution No. 6
By: Farabee

Dear Sir:

In response to your request pursuant to Senate Rule 94, Subsection (g), this office finds the fiscal implications of Senate Joint Resolution No. 6 (proposing a constitutional amendment relating to the maximum interest rate allowed on state general obligation bonds) to be as follows:


The resolution proposes a constitutional amendment setting a maximum limit of 12% on the weighted average annual interest rate on certain bonds authorized by the Texas Constitution.

The present legal limit on the interest rate for water quality enhancement and water conservation bonds is 6%; the unissued authorized amount of these bonds is \$218,670,000. The legal limit on veterans land bonds is 10%; the unissued authorized amount of these bonds is \$324,000,000. There is a constitutional limit of 6% on \$36,200,000 of college student loan bonds. The legal limit on the interest rate for park development bonds is 6%; the unissued authorized amount of these bonds is \$57,250,000.

The 67th Legislature increased to 15% the maximum interest rate for bonds issued by local political subdivisions. This limit which is set by statute would not be affected by the resolution.

The increase in the maximum interest rate would permit the issuance of certain State bonds which could not be marketed during periods of time when interest rates for state obligations would exceed present limitations. The additional cost associated with the higher interest rate would be recovered by the State under current practices governing bond issues for water development, veterans land loans and college student loans. The increase in charges that would be made to these groups would depend upon future bond market conditions and cannot be estimated for purposes of this fiscal note.

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Thomas M. Keel
Director

Source: Department of Water Resources; General Land Office; Coordinating Board; Parks and Wildlife Department; Legislative Budget Office: TK, HS, NN, LV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

May 27, 1982

Honorable Bob McFarland, Chairman

Committee on Constitutional Amendments
House of Representatives
Austin, Texas

In Re: House Committee Substitute for
Senate Joint Resolution No. 6, as engrossed

By: Farabee

Dear Sir:

In response to your request pursuant to House Rule V, Section 28, this office finds the fiscal implications of House Committee Substitute for Senate Joint Resolution No. 6, as engrossed (proposing a constitutional amendment relating to the maximum interest rate allowed on state general obligation bonds), to be as follows:

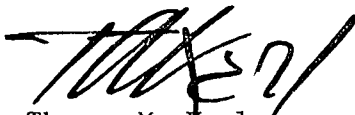
The resolution proposes a constitutional amendment setting a maximum limit of 12% on the weighted average annual interest rate on certain bonds authorized by the Texas Constitution.

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Thomas M. Keel
Director

Source: Department of Water Resources; General Land Office;
Coordinating Board; Parks and Wildlife Department;
Legislative Budget Office: TK, HS, NN, LV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

May 27, 1982

Honorable Bob McFarland, Chairman
Committee on Constitutional Amendments
House of Representatives
Austin, Texas

In Re: Senate Joint Resolution No. 6,
as Engrossed
By: Farabee, et al

Dear Sir:

In response to your request pursuant to House Rules, Section 3.119, this office finds the fiscal implications of the Senate Joint Resolution No. 6, as engrossed (proposing a constitutional amendment relating to the maximum interest allowable on public bonds), to be as follows:

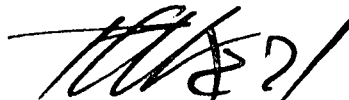
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Thomas M. Keel
Director

Source: Department of Water Resources; Coordinating Board;
Parks and Wildlife Department; Legislative Budget
Office: TK, HS, NN, BL

S. J. R. No. 6

By Farabee, et al

proposing a constitutional amendment relating to the
maximum interest for Texas Water Development Bonds.

Filed with the Secretary of the Senate
MAY 24 1982 Read, referred to Committee on NATURAL RESOURCES
Reported favorably.
MAY 27 1982 Reported adversely, with favorable Committee Substitute; Committee Substitute
read first time.
Ordered not printed.
MAY 27 1982 Senate and Constitutional Rules to permit consideration suspended by
unanimous consent.
_____ yeas, _____ nays.
To permit consideration, reading and passage, Senate and Constitutional Rules
suspended by vote of _____ yeas, _____ nays.
MAY 27 1982 Read second time and { ordered engrossed.
_____ passed to third reading.
Caption ordered amended to conform to body of bill.
MAY 27 1982 Senate and Constitutional 3-Day Rules suspended by vote of
30 yeas, 0 nays to place bill on third reading and final passage.
MAY 27 1982 Read third time and passed by { a viva-voce vote.
30 yeas, 0 nays.

OTHER ACTION:

Betty King
Secretary of the Senate

MAY 27 1982 Received from the Senate
MAY 27 1982 Read first time and referred to Committee on Constitutional Amendments
MAY 27 1982 Reported favorably Subs. amended, sent to Printer 6:20 pm MAY 27 1982
MAY 27 1982 Printed and Distributed 9:40 pm
MAY 28 1982 Sent to Committee on Calendars 8:07 AM
MAY 28 1982 Read second time Subs. amended and finally adopted
failed adoption by Record Vote of
125 yeas 21 nays 0 present not voting
Read third time (amended) and finally adopted
failed adoption by a Record Vote of
_____ yeas _____ nays _____ present not voting
MAY 28 1982 Caption ordered amended to conform to body of resolution
MAY 28 1982 Returned to Senate.

Betty Murray
Chief Clerk of the House

MAY 28 1982
MAY 28 1982
RETURNED FROM HOUSE
Senate considered in House amendments by the following vote:
_____ yeas, _____ nays.

Patsy Spaw
ENGROSSING CLERK

May 27, 1982 Engrossed
May 27, 1982 Sent to HOUSE

with amendments
ever

MAY 28 1982

The Senate has agreed to the
House's bill to amend
the appointment of judges
Committed to adjust the differ-
ences between the two Houses.

Forshee
Williams
Jones
Caperton
Thalger

MAY 28 1982

Conference Committee Report adopted
on the part of the Senate

by 30 yeas 0 nays

MAY 28 1982

The House has agreed to the
Senate's bill to amend
of a Conference Committee to adjust
the differences between the two
Houses.

McFarland
Davis
Patterson
Turner
Gribble